

*Amend*

PREPARED BY: Sandy Sostad  
DATE PREPARED: March 29, 2011  
PHONE: 471-0054

Revision: 01

# FISCAL NOTE

Revised on 3/30/11 based on amendments adopted through 3/28/11.

## LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS			\$51,273	
FEDERAL FUNDS			\$95,224	
OTHER FUNDS				
TOTAL FUNDS			\$146,495	

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 204 requires blood lead testing of students prior to enrolling in kindergarten in a public school on or after July 1, 2012. Students transferring to a Nebraska school district for the first time must be tested within six months of enrollment. The Department of Health and Human Services (HHS) is to develop rules and regulations relating to blood lead testing. School districts are to inform families prior to the date of school registration of the blood lead testing requirements. HHS is to notify parents or guardians of the availability of special education services and of contact information for Nebraska ChildFind if a child's blood-lead level is in excess of a certain amount.

The bill will minimally increase the workload of HHS to develop rules and regulations. The department indicates the development of the rules can be accomplished with existing staff and resources. The department will also incur a workload increase to provide notification to parents of the availability of special education services and other resources. HHS has access to a registry showing this information, so it is assumed the department can handle notifications with existing staff. School districts are already required to inform families about required immunizations prior to school enrollment, so the required notification regarding blood lead testing should not have a fiscal impact for schools.

The bill provides for the cost of blood lead testing to be borne by families except in the case of children who are participating in Medicaid or CHIP. The cost of blood lead testing for children participating in Medicaid or CHIP is to be paid by HHS.

Statistics from HHS show a total of 147,000 children were Medicaid eligible or in the CHIP program in 2010 which is approximately 44% of total student membership. There are about 25,000 children entering kindergarten on an annual basis. HHS indicates the department currently pays for blood testing to determine lead levels for about 2,740 children. The cost of a lab test is \$17.65.

It is assumed that blood lead tests for 8,300 children will be covered by HHS pursuant to the bill based upon: 25,000 kids in kindergarten each year x 44%, minus the number of tests currently being paid for by HHS. This is the estimated number of children on Medicaid or in CHIP that will be tested annually pursuant to the bill. The estimated fiscal impact for lab tests is \$146,495 (\$51,273 Cash, \$95,224 Federal) to test 8,300 children in FY 2011-12 and FY 2012-13.

The fiscal impact is based upon assuming that medical personnel will not sign statements allowing children to opt out of testing. HHS assumes that medical personnel will not sign a statement verifying that children are at low risk due to the stringent requirements in the bill to verify such status. It is also assumed that physicians will order the tests as medically necessary in order for Medicaid to cover the cost of the test.

The bill provides for the State Treasurer to transfer \$51,273 from the Nebraska Health Care Cash Fund no later than July 15, 2012, and no later than July 15<sup>th</sup> each year thereafter, to assist HHS with the cost of blood lead testing for Medicaid and CHIP recipients.

MAR 30 2011

FISCAL NOTE 2011

LEGISLATIVE FISCAL

LB 0204 AM659, AM938

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name: (2) Department of Health and Human Services

Prepared by: (3) Willard Bouwens

Date Prepared: (4) March 30, 2011

Phone: (5) 471-8072

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS			\$51,273	\$51,273
FEDERAL FUNDS			\$133,135	
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$184,408	\$51,273

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

In order for the test to be covered by Medicaid a physician must order the test as medically necessary. Assuming that all tests will be medically necessary, the estimated fiscal impact to DHHS would be approximately \$184,408 in total funds (\$51,273 Cash Funds, \$135,732 in Federal Funds). This estimate includes only the cost of the lab test which in the current fiscal year is \$17.65.

Opting out of the testing would not be feasible within the constraints of the requirements as a medical professional would be required to sign off on a statement verifying stringent requirements. The criteria are considerably stricter than the ones to opt out of the immunization requirements.

LB 0204 AM 659 increases the reliance on the Nebraska Health Care Cash Fund for the purposes of the bill. The sources of revenue for the Nebraska Health Care Cash Fund are annual transfers by the State Treasurer from the Nebraska Medicaid Intergovernmental Trust (IGT) Fund and the Nebraska Tobacco Settlement Trust Fund. Section 71-7611 RRS provides that the state investment officer advise the State Treasurer on the amounts to be transferred from the IGT Fund and from the Tobacco Settlement Trust Fund in order to sustain the transfers in perpetuity. Section 71-7611 RRS also provides that the state investment officer report to the Legislature on the sustainability of the transfers. According to data contained in the most recent State Investment Officer report to the Legislature the current transfer amount of \$59.1 million, while sustainable through the next 10 years, is not sustainable in perpetuity.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2011-2012	2012-2013
		11-12	12-13	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					\$184,408
Capital Improvements.....					
TOTAL.....				\$0	\$184,408